

BEFORE
THE PUBLIC SERVICE COMMISSION
OF SOUTH CAROLINA
DOCKET NO. 2013-275-WS

| | | |
|---|---|-------------------------|
| IN RE: Application of Carolina Water Service, |) | DIRECT TESTIMONY |
| Inc. for an Adjustment of Rates and |) | |
| Charges and Modifications to Certain |) | OF |
| Terms and Conditions for the Provision of |) | |
| Water and Sewer Service |) | KAREN SASIC |
| _____ |) | |

1 **Q. WOULD YOU PLEASE STATE YOUR NAME AND BUSINESS ADDRESS?**

2 **A.** My name is Karen Sasic and my business address is 200 Weathersfield Avenue,
3 Altamonte Springs, Florida, 32714-4027.

4 **Q. WHAT IS YOUR CURRENT POSITION OF EMPLOYMENT?**

5 **A.** I am the Director of Billing and Regulatory Relations for Utilities, Inc., with
6 oversight responsibility for billing and regulatory customer complaints within the 15 states
7 we serve, which includes Utilities Services of South Carolina.

8 **Q. HOW LONG HAVE YOU BEEN EMPLOYED BY UTILITIES, INC.?**

9 **A.** Eighteen (18) years.

10 **Q. WHAT IS YOUR EDUCATIONAL AND EMPLOYMENT BACKGROUND?**

11 **A.** I hold an Associate's degree in Business Administration from Miami-Dade
12 Community College with continued coursework in business from Florida International
13 University. I began working with the company in 1995 as a Customer Service
14 Representative. In 1998, I moved into the operations department as an Administrative
15 Assistant. In 2001, I was promoted to Executive Assistant to the Vice President of
16 Operations in our Florida office. In 2003, I was promoted to Regional Office Manager in
17 our Florida office, overseeing the Customer Service for Florida Operations. In 2008, I took
18 over management of the company's customer service functions for Louisiana. In
19 November 2009, I was promoted to the position of Manager of Customer Service for the
20 entire company. In January 2011, I was promoted to Director of Customer Care over
21 customer service in our 3 call centers located in Altamonte Springs, Florida, Charlotte,
22 North Carolina and Pahrump, Nevada as well as our Billing Department located in
23 Northbrook, Illinois. In November 2012, as part of reorganization of departments, I

1 assumed the title of Director of Billing and Regulatory Relations. In addition, I have served
2 on the National Association of Water Companies Customer Service Committee since
3 March 2008.

4 **Q. WHAT DOES YOUR CURRENT POSITION ENTAIL?**

5 **A.** As Director of Billing and Regulatory Relations, I am responsible for the oversight
6 of our Billing Department to ensure that customers receive timely and accurate bills. I am
7 responsible for developing, evaluating and implementing procedures pertinent to the
8 effective and efficient operation of the Billing Department. In addition, I provide
9 regulatory support through customer complaint responses, data request responses, filing of
10 testimony and appearance at hearings.

11 **Q. WHAT EXPERIENCE DO YOU HAVE IN TESTIFYING BEFORE STATE**
12 **UTILITY COMMISSIONS?**

13 **A.** I have testified before this Commission in rate relief proceedings as well as rate
14 relief proceedings in Indiana, Kentucky and Nevada. In addition, I have provided
15 supporting data for staff testifying in rate relief proceedings in Arizona, Florida, Illinois,
16 Indiana, Louisiana, Maryland, Nevada, North Carolina and Pennsylvania.

17 **Q. WHAT IS THE PURPOSE OF YOUR TESTIMONY IN THIS PROCEEDING?**

18 **A.** The purpose of my testimony is to describe Carolina Water Service, Inc. (generally
19 “Carolina Water”) billing and to describe our results during the test year.

20 **Q. DURING THE TEST YEAR, WERE ALL CAROLINA WATER’S BILLS ISSUED**
21 **ON TIME?**

22 **A.** 99.1% of bills were issued on time during the test year.
23

Q. CAN YOU DESCRIBE WHAT ISSUES WOULD CAUSE BILLS TO BE DELAYED?

A. Yes. During the test year, the less than 1% of bills that were delayed were the result of issues such as blocked access to the meter, fogged meter glass and water in the meter boxes.

Q. ON THE SMALL PERCENTAGE OF OCCASSIONS WHERE A BILLING DELAY OCCURS, HOW ARE YOUR CUSTOMERS IMPACTED BY A BILLING DELAY?

A. Other than receiving their bill a few days later than normal, there is no impact. They still have the same amount of time to pay their bill. Any balance unpaid after 25 days of the billing date are assessed a late payment charge of 1 ½%.

Q. DOES CAROLINA WATER MEASURE ITS PERFORMANCE IN THE TIMELINESS AND ACCURACY OF BILLS?

A. Yes. Carolina Water has developed Key Performance Indicators (KPIs) to objectively measure performance and bring accountability to the billing process. The results for the billing KPI's adopted by Carolina Water for the test year and the first three quarters of 2013 are indicated below:

| | | 2012 | | | | 2013 | | |
|---------------------------|---------------------|-------|-------|-------|-------|-------|-------|-------|
| Objectives | Measure | 1Q12 | 2Q12 | 3Q12 | 4Q12 | 1Q13 | 2Q13 | 3Q13 |
| Timely & Accurate Billing | % of Bills On-Time | 99.3% | 99.4% | 99.3% | 98.5% | 98.7% | 99.4% | 99.2% |
| | % of Accurate Bills | 99.7% | 99.7% | 99.7% | 99.6% | 99.6% | 99.9% | 99.7% |

1 **Q. EVEN THOUGH YOUR KPIS DEMONSTRATE TIMELY AND ACCURATE**
2 **BILLING PRACTICES, DOES CAROLINA WATER CONTINUE TO WORK TO**
3 **IMPROVE ITS BILLING PRACTICES?**

4 **A.** Yes. While our goal is to have bills that are 100% timely and accurate, we are
5 encouraged by our results and continue to work toward improving our billing and meter
6 reading practices. Our billing personnel work closely with the meter readers to ensure they
7 are obtaining timely and accurate meter readings each month. The communication between
8 the office and the field helps to identify meter reading issues early in the billing process
9 minimizing delayed bill issuance to Carolina Water customers.

10 **Q. CAN YOU DESCRIBE HOW CAROLINA WATER CUSTOMER BILLS ARE**
11 **CALCULATED?**

12 **A.** Carolina Water customers are billed in accordance with the rates established under
13 bond in Docket No. 2011-47-WS. Customer bills provide a line item breakdown of all
14 approved charges. Residential water customers are billed a water base facility charge of
15 \$12.16 per unit and a usage charge of \$3.89 per 1,000 gallons. Residential water
16 distribution only customers are billed a water base facility charge of \$12.16 per unit, and
17 usage charge of \$2.23 per 1,000 gallons. In addition, Carolina Water also passes through
18 the charges imposed by bulk water providers on a pro rata basis without markup.
19 Wastewater customers are billed \$40.56 per unit for house, condominium, villa, apartment
20 or commercial. Wastewater mobile home customers are billed \$28.88 per unit. Carolina
21 Water sewage collection only customers are billed \$26.73 per unit in addition to the pass
22 through of the treatment charges imposed by bulk wastewater providers on a pro rata basis
23 without markup.

Q. PLEASE DESCRIBE HOW CAROLINA WATER SERVICE HANDLES CUSTOMER COMPLAINTS.

A. The Company has three (3) call centers to serve customers; they are located in Altamonte Springs, Florida, Charlotte, North Carolina, and Pahrump, Nevada. Customer Service Representatives in all locations have been trained and designated to handle South Carolina customer calls. All customer calls and complaints are documented and retained by the company in the Customer Care & Billing (CC&B) system. Furthermore, all customer bills advise customers with an unresolved complaint after 7 days that the company is under the PSC jurisdiction and the customer may notify ORS of the complaint.

Q. DOES THE COMPANY TRACK THE RATE OF COMPLAINTS MADE BY CAROLINA WATER CUSTOMERS? IF SO, CAN YOU PROVIDE THE COMPLAINT RATE DURING THE TEST YEAR?

A. Yes, the company documents and retains all customer complaints in the CC&B system. Complaint rates are measured by dividing the number of complaints by the number of active customer accounts. During the test year, there was a 1.78% complaint rate for Carolina Water. Through September 30, 2013, the complaint rate was 1.16%. The complaint rates for the test year and the first three quarters of 2013 are indicated below:

| Measure | 2012 | | | | 2013 | | |
|--------------------------|-------|-------|-------|-------|-------|-------|-------|
| | 1Q12 | 2Q12 | 3Q12 | 4Q12 | 1Q13 | 2Q13 | 3Q13 |
| # of Complaints Received | 762 | 742 | 613 | 489 | 423 | 371 | 495 |
| Complaint Rate | 2.09% | 2.03% | 1.67% | 1.33% | 1.15% | 1.00% | 1.33% |

Q. HOW DOES THIS COMPLAINT RATE COMPARE TO OTHER SUBSIDIARY COMPANIES IN SOUTH CAROLINA?

1 **A.** The Carolina Water complaint rate is below the average of the other subsidiary
2 companies of 1.79%.

3 **Q. DOES THIS CONCLUDE YOUR TESTIMONY?**

4 **A.** Yes.